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2D SESSION

S. 1950

IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2006

Referred to the Committee on International Relations

AN ACT

To promote global energy security through increased cooperation between the United States and India in diversifying sources of energy, stimulating development of alternative fuels, developing and deploying technologies that promote the clean and efficient use of coal, and improving energy efficiency.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “United States-India
5 Energy Security Cooperation Act of 2006”.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) The December 2004 National Intelligence
4 Council report entitled “Mapping the Global Future
5 in 2020” states that the single most important fac-
6 tor affecting the demand for energy will be global
7 economic growth, especially that of China and India.
8 It is estimated that the current economic growth
9 rate in India is approximately 7 percent of gross do-
10 mestic product. India will need to double its energy
11 consumption within the next 15 years to maintain
12 steady rates of economic growth.

13 (2) The United States and India launched an
14 energy dialogue on May 31, 2005, aimed at building
15 upon a broad range of existing energy cooperation
16 and developing new avenues of collaboration on en-
17 ergy. These efforts will promote increased trade and
18 investment in the energy sector by utilizing re-
19 sources in the public and private sectors, focusing on
20 oil and gas, power and energy efficiency, new tech-
21 nologies and renewable energy, coal and clean coal
22 technology, and civil nuclear cooperation. In his tes-
23 timony before the Committee on Foreign Relations
24 of the Senate on July 26, 2005, Under Secretary of
25 Energy David Garman said, “The United States and
26 India recognize their mutual interests are best

1 served by working together in a collaborative fashion
2 to ensure stability in global energy markets.”.

3 (3) As the sixth largest energy consumer in the
4 world, India satisfies 70 percent of its oil demand
5 with imports and has embarked on an aggressive oil
6 and gas exploration program. The largest discovery
7 of natural gas in the world in 2002 occurred in
8 India. In 2003, the largest discovery of oil in the
9 world occurred in the state of Rajasthan in India.
10 External funding and investment in the oil and gas
11 industry in India is necessary to maximize recovery
12 from oil fields, but an improved investment environ-
13 ment in India is needed to attract such investment.

14 (4) India is the world’s third largest producer
15 of coal and will continue to rely on coal as a major
16 energy source to support expanding industrial and
17 electric power generation needs. However, many of
18 India’s coal-fired plants are inefficient and lack ade-
19 quate pollution control equipment. In his address to
20 a joint session of the United States Congress on
21 July 19, 2005, Prime Minister of India Manmohan
22 Singh noted the importance of allowing greater ac-
23 cess for developing countries to clean coal tech-
24 nologies and of exploring partnerships that encour-
25 age more efficient use of hydrocarbon resources.

1 (5) India provides a market for United States
2 technologies that promote the clean and efficient use
3 of energy.

4 (6) India has announced plans to develop a
5 5,000,000 ton strategic crude oil reserve, which is
6 expected to be completed by 2009.

7 (7) United States energy experts have empha-
8 sized the need for the United States to increase col-
9 laboration with other countries—

10 (A) to develop and deploy energy tech-
11 nologies that will not be pursued absent greater
12 Federal support;

13 (B) to increase investment in cooperative
14 international energy research; and

15 (C) to expand the global network of stra-
16 tegic petroleum reserves.

17 **SEC. 3. STATEMENT OF POLICY.**

18 It is the policy of the United States—

19 (1) to cooperate with India to address common
20 energy challenges, to ensure future global energy se-
21 curity, and to increase the world-wide availability of
22 clean energy;

23 (2) to promote dialogue and increased under-
24 standing between the United States and India on
25 our respective national energy policies and strategies

1 as an integral part of the expanding strategic part-
2 nership between the two countries; and

3 (3) to collaborate with India in energy research
4 that fosters market-based approaches to energy se-
5 curity and offers the promise of technological break-
6 throughs that reduce oil dependency globally.

7 **SEC. 4. ASSISTANCE TO SUPPORT ENERGY COOPERATION.**

8 (a) AUTHORIZATION.—The President is authorized to
9 establish programs in support of greater energy coopera-
10 tion between the United States and India.

11 (b) ACTIVITIES.—Assistance may be provided under
12 this section for cooperation related to—

13 (1) research, development, and deployment of
14 clean coal and emission reduction technologies and
15 carbon sequestration projects;

16 (2) research, development, and deployment of
17 alternative fuel sources, such as ethanol, bio-mass,
18 and coal-based fuels;

19 (3) research, development, and deployment of
20 energy efficiency and renewable energy projects and
21 technologies;

22 (4) research related to commercially available
23 technologies that promote the clean and efficient use
24 of energy in India; and

1 (5) technical assistance in support of the devel-
2 opment by the Government of India of a strategic oil
3 reserve to allow India to cope with short-term dis-
4 ruptions to global oil supplies without causing
5 shocks to India's market or the global market.

6 **SEC. 5. REPORT ON ENERGY COOPERATION.**

7 (a) IN GENERAL.—Not later than 180 days after the
8 date of the enactment of this Act, the Secretary of State
9 shall, in coordination with the Secretary of Energy, submit
10 to the Committee on Foreign Relations and the Committee
11 on Energy and Natural Resources of the Senate and the
12 Committee on Energy and Commerce and the Committee
13 on International Relations of the House of Representa-
14 tives a report on energy security cooperation between the
15 United States and India.

16 (b) CONTENT.—The report required under subsection
17 (a) shall describe—

18 (1) the ways in which the United States and
19 India have cooperated on energy research and devel-
20 opment activities;

21 (2) joint projects that have been initiated using
22 assistance authorized under section 4, and the con-
23 tribution such assistance has made to improving
24 global energy security; and

